

Statement of Arms and Accoutrements furnished to the State of Maryland, from the passage of the Act of 1808, for arming the whole body of the Militia, to February 2nd, 1843.

| | |
|---------------------------------|----------------------------------|
| 9279 Muskets, | 2342 sets of Infantry Account's, |
| 3786 common Rifles, | 2416 do Rifle do |
| 95 Hall's do | 50 do Cavalry do |
| 285 Hall's Carbines, | 150 Infantry Cartridge boxes |
| 1305 Pistols, | 150 Bayonet scabbards |
| 806 Cavalry Sabres, | 150 Waist Belts, |
| 50 Artillery Sabres and Belts, | 26 Sabre Belts, extra, |
| 238 Artillery Swords and Belts, | 60 Pistol Cartridge boxes |
| 12 6 Pounders, iron guns, | 190 Pairs of Holsters, |
| 6 6 do brass guns, | 1 Infantry Officer's Sabre, |
| 22 6 Pounder Carriages, | 8 Non commis'd Officers Swords |
| 4 Caissons, | 10 sets Artillery Harness, |

ADJUTANT GENERAL'S OFFICE,

Annapolis, Feb. 24, 1844.

JNO. N. WATKINS,

Adj't. Gen. Md.

[Document CC.]

BY THE HOUSE OF DELEGATES

February 26, 1844.

Read and ordered to be printed.

COMMUNICATION

FROM THE

PRESIDENT OF THE CHES. & OHIO CANAL CO.

ENCLOSING

Correspondence with the Messrs. Barings, and others,

IN RELATION TO THE

PROCUREMENT OF FUNDS, &c.

FOR THE

COMPLETION OF THE WORK.

In obedience to an Order of the House of the 23rd February.

COMMUNICATION.

ANNAPOLIS, Feb. 24th, 1844.

To the Honorable

The Speaker of the House of Delegates.

SIR: I have the honor herewith to communicate to the House the correspondence called for by the orders of the 23rd inst., in regard to the negotiation of a loan to complete the Chesapeake and Ohio Canal to Cumberland, under the bill now before the House.

Having been assured by gentlemen favorable to the extension of the work, by a dam and slack water navigation, from Cumberland to the mouth of Savage, and who possess a large interest in the coal and iron region, at or near that point, that through their instrumentality the necessary amount could be raised for that purpose in case a provision be made in the law for such extension, the enquiries of the company have been, so far, restricted to the sum required for the completion to Cumberland only.

Even to this extent our efforts to obtain sufficient data to furnish an answer to the latter portion of the second interrogatory of the House, have been of but a limited character.

The short time which has elapsed since I was elected to the office I now have the honor to occupy, and the numerous and pressing duties which have devolved upon me, in reference to the management of its affairs, during a period of unprecedented difficulty and embarrassment, growing out of the straightened means of the company, and the disastrous breaches which occurred on the canal during the past year, have afforded me but little opportunity for that purpose.

The letters addressed to the Messrs. Barings and Mr. Peabody, of London, were written and sent within a fortnight after I was elected to office, and the correspondence now communicated to the House, is the only one which has been held by myself or any other officer of the company on the subject, so far as I am informed.

I regard this correspondence as indicative of the *practicability* of raising money to finish the canal on its *own resources*, and as going as far perhaps as could be expected, in anticipation of the action of the legislature.

It is scarcely to be presumed that capitalists would say upon what *terms* the loan *would be* negotiated, until after the law is passed and its provisions laid before them. After the legislature shall have acted upon the subject, and passed an act for the completion of the work, the company will then, and not until then, be able to present a substantial basis for a negotiation and obtain from them more specific propositions. We feel a strong assurance that the required amount could be obtained on fair terms, and are strengthened in this opinion by the improvement which, even within the last ten days, has manifested itself in regard to the stocks of the State.

It will be perceived that we have proposed to negotiate a loan to the amount of \$1,500,000. My present opinion is that it will not be necessary to raise more than \$1,420,000 in *cash*, to finish the work and pay the incidental expenses exclusive of interest.

In order however to obtain this sum, it is indispensably necessary that the *right* to issue a considerably larger amount in bonds should be granted to the company, to be exercised only to such extent as may be required for the purposes provided for in the act.

By reference to the correspondence, it will be seen that the Messrs. Barings suggest as one of the conditions of the loan, that they should "be satisfied by competent judges that the estimates of amount would be sufficient to complete the canal."

Now although we have bids from responsible contractors to do the unfinished portion of the work for \$1,350,000 in money, yet according to the *estimate* of the Chief Engineer of the company, the sum required for that purpose is \$1,545,000, and these sums are both set down as the price for the work, and are exclusive of the cost of the engineer department and contingencies which are estimated at \$70,000.

Capitalists would doubtless require that the provision made *by law* for the completion of the work should be made with reference to the estimate of the Engineer. They must be convinced that the company is invested with ample powers to finish the canal to the point of destination, otherwise they would be unwilling to lend a dollar towards its completion. For this reason, as well as for others which I shall presently mention, it appears to me to be the unquestionable policy of the State to make a much larger provision of means than from the present indications would really seem to be wanted.

It must be bore in mind, that the State is not now appropriating money, nor authorising an issue of State bonds as heretofore, nor pledging the faith and credit of the State, for the repayment of the money that may be raised. She does nothing more than postpone her present unavailable liens, so as to enable the company to give a preferred lien upon the prospective revenues of the canal for the repayment of the bonds that may be issued to complete it and render it productive. The limitation in regard to the expenditure is fixed by the specification of the object for which the money is to be raised and the purposes to which it is to be applied.

1. The completion of the canal to Cumberland and the necessary expenses appertaining thereto.

2. To pay the interest on the bonds that may be issued to accomplish these objects in aid of the nett revenues, until they become sufficient for the purpose, after the debts now due, for repairs and officers salaries are satisfied and paid.

These are the objects that must be provided for, in order to have the work finished, and however large the waiver, not a dollar more of bonds can be issued, than may be necessary to fulfil them. Assuming the immediate availability of the canal *after it is completed* to stop the issue of bonds for interest, and the State in fact, only retains a further contingent control over the nett revenues by enlarging the maximum beyond the amount that is now, apparently required. For the bonds authorised to be issued under this act, will stand on an equality without any preference or priority over each other, and should the act be carried into effect, and any thing occur to render necessary a greater expenditure than is now anticipated from the present bids, for the purposes mentioned, the balance of bonds authorised could be used as preferred liens, of equal claim with those previously issued, to supply such deficiency.

It may perhaps, be suggested, that the smaller the amount of bonds now authorised to be issued as preferred liens, the greater will be their value. This, though plausible, as a general proposition, is in the present instance, unsound. As I have before observed, capitalists must be convinced, that with every reasonable allowance for contingencies, the provision now made for completing the canal, is abundantly sufficient, and whatever may be the extent of the authority granted, they will be secured against any greater issue of bonds than may be absolutely necessary, by the specific and defined provisions of the law in relation to the completion of the work. As soon as they are fulfilled, the power to issue is exhausted. On the other hand, the Legislature can provide for a judicious disposal of the bonds that may be authorised, by every means which in their wisdom they may deem compatible with a prompt and efficient execution of the law. By requiring the advice and consent of the State agents, who are the immediate representatives of the State in the company, to any negotiation of them, it is presumed that a sufficient guard against unnecessary sacrifices would be imposed.

As to the manner in which the bonds are to be made available ; "whether by hypothecation, sale or otherwise," I am not at present prepared to answer. This will depend upon circumstances, I can only say that in case an available act be passed, it will be the earnest endeavour of the company, to raise the required amount of funds upon the most favorable terms that can be procured either in this country or Europe, and complete the canal with the strictest regard to economy.

In the special report of the Chesapeake and Ohio canal company, made on the 16th of November last, we recommended a waiver

of the State liens, to the amount of two millions of dollars, and on pages 15 and 16 of that report, we have briefly stated some of the reasons upon which that recommendation was made. We now again refer to them, in addition to what we have said on the subject in this communication, and will close by respectfully inviting the attention of the House to the several statements hereto appended, exhibiting the amount of bonds that would be required to finish the canal, pay the expenses appertaining thereto, and the interest on the issue made for these purposes, until one year after the canal shall have been completed, assuming a sale of the bonds at 85 per cent., at 90 per cent., and at *par*, upon the cost of completing the work, &c. according to the bid of \$1,350,000 ; and also a statement of a similar character, showing the amount of bonds AT PAR that would be required for the same purposes according to the Engineer's estimate of the work between Dam No. 6, and Cumberland.

With great respect,

I am Sir, your obedient servant,

J. M. COALE,

President, Chesapeake and Ohio Canal Company.

STATEMENT No. 1.

Cost of construction, upon the bid of \$1,350,000 in money, (including \$70,000, for engineer department, superintendence and other contingencies during the construction,) - - \$1,420,000

This would require \$1,670,588 in bonds, at 85 per cent. supposing they were rated at that price—to be issued in quarterly installments, thus,

| | | | In Bonds at 85 per cent. |
|--|-------------------------|---------------------|-----------------------------|
| 1st July, 1844, . | \$200,000 | Int. for 2 years, | \$28,235 |
| 1st Oct. " . | 200,000 | " $1\frac{3}{4}$ " | 24,706 |
| 1st January, 1845, | 200,000 | " $1\frac{1}{2}$ " | 21,176 |
| 1st April, " . | 200,000 | " $1\frac{1}{4}$ " | 17,647 |
| 1st July, " . | 200,000 | " 1 " | 14,118 |
| 1st October, " . | 200,000 | " $\frac{3}{4}$ " | 10,588 |
| 1st January, 1846, | 200,000 | " $1\frac{1}{2}$ " | 7,059 |
| 1st April " . | 270,588 | " $1\frac{1}{4}$ " | 4,775 |
| Bonds, for cost, . | \$1,670,588 | Bonds for interest, | \$128,304 |
| Bonds for interest, during the two years of construc- tion, . . . | 128,304 | | |
| Aggregate, . . . | \$1,798,892 107,934* | | |
| Total, . . . | \$1,906,826 | | |

* Add this sum for one year's interest, after the completion of the canal, on the whole, with bonds at par; provided, by way of better assurance that the interest would be paid, should the nett revenues of the canal in the *first year* after completion, prove inadequate.

STATEMENT No. 2.

Suppose the bonds should be disposed of at 90 instead of 85 per cent. and a similar calculation to the preceding would be thus,

Amount to be raised in funds, for cost, &c. . . \$1,420,000

To be issued in quarterly installments, thus,

| | | | In Bonds at 90 per cent. |
|--|-------------------------|---------------------|-----------------------------|
| 1st July, 1844, . | \$200,000 | Int. for 2 years. | \$26,667 |
| 1st Oct. " . | 200,000 | " $1\frac{3}{4}$ " | 23,333 |
| 1st January, 1845, | 200,000 | " $1\frac{1}{2}$ " | 20,000 |
| 1st April, " . | 200,000 | " $1\frac{1}{4}$ " | 16,667 |
| 1st July, " . | 200,000 | " 1 " | 13,333 |
| 1st October, " . | 200,000 | " $\frac{3}{4}$ " | 10,000 |
| 1st January, 1846, | 200,000 | " $\frac{1}{2}$ " | 6,667 |
| 1st April, " . | 177,778 | " $\frac{1}{4}$ " | 2,963 |
| Bonds for cost, . | \$1,577,778 | Bonds for interest, | \$119,630 |
| Bonds for interest, during the two years of construc- tion, | 119,630 | | |
| Aggregate, . . . | \$1,697,408 101,845* | | |
| Total. | \$1,799,253 | | |

* Add one year's interest for the same reasons as before.

STATEMENT No. 3.

Suppose the bonds should be disposed of at par, and a similar calculation would be as follows:

Amount to be raised in funds for cost &c., \$1,420,000.
To be issued in quarterly instalments thus:

| | | | In Bonds at par. |
|---|-------------|---------------------|---------------------|
| 1st July, 1844, . | \$175,000 | Int: for 2 years. | \$21,000 |
| 1st Oct. " . . | 175,000 | " 1 $\frac{3}{4}$ " | 18,375 |
| 1st January, 1845, | 175,000 | " 1 $\frac{1}{2}$ " | 15,750 |
| 1st April, " | 175,000 | " 1 $\frac{1}{4}$ " | 13,125 |
| 1st July, " | 175,000 | " 1 " | 10,500 |
| 1st Oct. " | 175,000 | " $\frac{3}{4}$ " | 7,875 |
| 1st January, 1846, | 175,000 | " $\frac{1}{2}$ " | 5,250 |
| 1st April, " | 195,000 | " $\frac{1}{4}$ " | 2,925 |
| Bonds for cost, . | \$1,420,000 | Bonds for interest, | \$94,800 |
| Bonds for interest during the two years of construc- tion, | 94,800 | | |
| Aggregate, . . . | 1,514,800 | | |
| | 90,888* | | |
| Total, | \$1,605,688 | | |

* Add one year's interest for the same reasons as before.

STATEMENT No. 4.

Cost of construction, supposing the work done at the *Engineer's estimate*—and \$70,000 additional, to be required for Engineer's superintendence and contingencies, \$1,615,000

Suppose this amount to be raised in bonds, *at par*, issued quarterly, thus,

| | | | In Bonds at par. |
|--|-------------|---------------------|---------------------|
| 1st July, 1844, . | \$200,000 | Int. for 2 years. | \$24,000 |
| 1st Oct. " . | 200,000 | " $1\frac{3}{4}$ " | 21,000 |
| 1st January, 1845, | 200,000 | " $1\frac{1}{2}$ " | 18,000 |
| 1st April, " . | 200,000 | " $1\frac{1}{4}$ " | 15,000 |
| 1st July, " . | 200,000 | " 1 " | 12,000 |
| 1st October, " . | 200,000 | " $\frac{3}{4}$ " | 9,000 |
| 1st January, 1846, | 200,000 | " $\frac{1}{2}$ " | 6,000 |
| 1st April, " . | 215,000 | " $\frac{1}{4}$ " | 3,225 |
| Bonds for cost, . | \$1,615,000 | Bonds for interest, | \$108,225 |
| Bonds for interest, during the two years of construc- tion, | 108,225 | | |
| Aggregate, . . . | \$1,723,225 | | |
| | 103,394* | | |
| Total, | \$1,826,619 | | |

* Add this sum for one year's interest after completion for the same reasons as before.

CORRESPONDENCE.

[COPY.]

OFFICE OF THE CHES. AND OHIO CANAL CO.
Frederick, August 28, 1843

To MESSRS. BARINGS, BRO. & CO., London :

GENTLEMEN : As it will be desirable to show to the next Legislature of Maryland, that if the State's liens be removed, the Company can raise a sufficient amount of funds to complete the unfinished portion of the canal, I have thought it advisable to address you on the subject.

As you are aware, the entire line of the Chesapeake and Ohio canal, from Georgetown to Cumberland, is $184\frac{1}{2}$ miles— $134\frac{1}{2}$ of this, extending from Georgetown to Dam No. 6, near the mouth of the Great Cacapon are finished and navigable. $31\frac{8}{10}$ of the remaining 50 miles have also been completed in unconnected sections, but cannot be used until the whole are finished. Of the entire line, there remains at this time unfinished only $18\frac{3}{10}$ miles, which when finished, will complete the canal from Georgetown to Cumberland, and bring its terminus to the Depots of the richest coal and iron region in the Union. The land has already been acquired along the whole line to Cumberland, and nothing remains to be done, but the construction of the canal. From proposals of responsible contractors, now on file in the office of the company, it is made clear that the company can complete the entire unfinished portion of the canal, for less than a million and a half of dollars. We will, however, mention that, as the sum wanted. The object of my enquiry then is, to know whether you could negotiate for the company, a loan to that amount, on the bonds of the company, payable in 20 years, and bearing six per cent. interest payable semi-annually, provided the Legislature of Maryland, at its next session, will waive its liens so as to enable the company to give preferred liens on the nett revenues and tolls of the entire canal to secure the payment of principal and interest.

I am well aware of the depressed state of American credit in the money markets of Europe, but I think the security offered for this loan, so ample and good, that capitalists would not hesitate to avail themselves of the opportunity, for a profitable investment. It will be perceived that the proposition is to mortgage the whole nett revenues of a canal $184\frac{1}{2}$ miles long, which has already cost about \$9,500,000, and will have cost when completed, nearly \$11,000,000, to secure the payment of \$1,500,000. The interest would be paid semi-annually, and a sinking fund be provided to liquidate

the principal, by the time it became due. Such would be the provisions of the law that would be asked for, and doubtless passed, if we can be sure of its being made available.

The Maryland State liens on the canal, would become by this arrangement secondary liens, and inasmuch as by the completion of the canal to Cumberland, the revenues of the company would at once exceed the sum necessary to cover its ordinary expenses, and pay the interest and provide a sinking fund to discharge the principal of the amount now sought to be borrowed, which would be secured by preferred liens, the State would soon be able to realize some return for its investments in the work, and thereby be the better able to meet the annual interest on the State debt. In this view of the case, the subject of completing the canal, is not devoid of interest even to the European bond holders.

Your former connection with the company has induced me to take the liberty of addressing you on the subject, and of respectfully desiring for it, your favorable consideration. The whole sum would not be wanted at once, but in monthly or quarterly instalments; running through a period of eighteen months or two years, which is about the time deemed necessary for the completion of the canal from the date of the commencement of the work. Of course, none of the money would be wanted until after the session of the Legislature, and the passage of the necessary laws to enable the company to give the preferred mortgages, or bonds with statutory liens, which ever might be the most desirable. I presume the latter would be preferred, as being better understood and more easily disposed of. An early answer is requested.

With high consideration,

I have the honor to be,

Very respectfully,

Your o^bt. servant,

J. M. COALE,

President, C. & O. C. Co.

[Signed,]

NOTE.—A similar letter was addressed by me, to Geo. Peabody, Esq., London, dated 23rd of August, 1843.

LONDON, 18th October, 1843.

COL. J. M. COALE,

*President, Chesapeake and Ohio Canal Company:
(Frederick City.)*

DEAR SIR: I was duly honored with the receipt of your favor of the 23rd August, asking, whether I could negotiate a loan for \$1,500,000, a sum sufficient to finish the canal to Cumberland, on the bonds of the Company, on condition that the Legislature of Maryland, at their approaching session, will pass a law relinquishing, as security to the lenders, the first lien on the canal and its revenues which the State now holds.

I have deferred a reply to the present time, to give me an op-

portunity of communicating with influential parties here, (on whom such negotiations mainly depend,) regarding the subject of your enquiries, and I regret to inform you, that I can offer no encouragement of early success on the plan which you propose.

The dreadful shock, which the credit and character of our country has received in Europe, by unprincipled legislation in one or two States, and the great indifference manifested by others, (Pennsylvania in particular,) on the subject of providing means to pay their interest, is still too keenly felt by all persons who formerly favored American loans, to induce them, at present, to embark further capital in a similar way, no matter how tempting the interest, or undoubted the security proposed. It affords me, however, much pleasure to say, that scrupulous punctuality on the part of several of the largely indebted States, and the very slight encouragement which is now given to repudiators by any portion of our country, is gradually inspiring confidence, and I do not despair of seeing, before many years, the credit of all our States again raised on that high pinnacle from which it never should have fallen.

I well know the feelings of our European creditors, and can assure you, that there exists among them, (notwithstanding their sufferings,) a warm sympathy for those States which unexpectedly have been brought into pecuniary difficulties, but are making reasonable exertions and sacrifices to surmount them. I am happy to say, that Maryland ranks as one of this number, and with the exception of a few small meetings, in some of the counties, unfavorable to the maintenance of her credit, her honor is unimpaired. To sustain this character, however, her next Legislature must adopt such measures as will enable the Treasurer to resume the regular payment of dividends at no very distant day, and I speak advisedly, when I say that, the holders of her bonds generally, in Europe, would feel quite satisfied to receive a mere 5 or 6 per cent. stock for all arrears of interest up to 1st July, 1844, if the Legislature would pass such an act and make full provision to pay the dividends promptly after that time.

I should not have troubled you with so many remarks respecting the credit of Maryland, was I not fully aware that the interests of your company, and the State, are so interwoven that they cannot be separated; if, therefore, the next Legislature will adopt similar measures to those I have stated, and *follow* them by an act authorising the canal company to give preferred liens on the nett revenue and tolls of the entire *canal*, to raise funds to finish it, I firmly believe, that the required amount could be procured here on 5 *per cent. bonds* of the company, redeemable in 20 years, interest and principal payable in London, but the price would not probably exceed 80 per 100. I predicate this opinion, on the supposition that no Legislative enactment, by any of the States will, meanwhile, take place to stop the favorable feeling here, which is now gradually increasing regarding American credit.

I feel highly gratified, and honored, that you have addressed me on a subject of so much importance to the company over which you

have so recently been unanimously elected President. My former connection with the company, and having been the negotiator, on their account, of so large an amount of Maryland bonds, makes me feel a great interest in the success of the former, on which, the value of the latter so much depends, and I beg that you will command my services *gratuitously* in any way which you may think likely to promote this object. In thus offering my services, however, allow me to say, that the eminent house of Messrs Baring, Brothers, & Co., who succeeded me as agent of your company, feel a very deep interest in the completion of your great work, and, as agents of Maryland, (for the payment of her interest in London,) in the resumption of the payment of her dividends. This house, therefore, having the will, and possessing great wealth and influence, can serve you more than any other in Europe; and although I am unacquainted with their views, further than I have here stated, I feel satisfied that if the Legislature of Maryland, will adopt such a course as I have suggested, that your company, through Messrs. Barings, & Co., could immediately afterwards negotiate their bonds for the amount, and on as favorable terms as I have herein stated.

With great respect, I am,
Your humble servant,
GEORGE PEABODY.

[copy.]

Extract of a letter, dated Boston, Nov. 21st, 1843, addressed by T. W. Ward, agent of the Messrs. Baring, Bro. & Co., of London, to J. H. B. Latrobe, Esq. of Baltimore, and by him communicated to the President of the Chesapeake and Ohio Canal Company.

* * * * *

“In communicating the above* to Col. Coale, I pray you to say to him that I am expressly requested by the Messrs. Barings to apologise to him, for the failure to answer his letter of the 28th of August last. Messrs. Barings had forwarded to me a letter in reply, but in the state of the negotiation then pending with the company, which had changed after the letter was written, it seemed to me best to withhold it. Messrs. Barings having, on the 3rd of January last,† answered a similar application from Mr. Sprigg, did not think it necessary to advert to the main difficulty in effecting a loan, which would arise from the depression under which the credit of Maryland at present labors. But they think if the legislature

* The preceding part of this letter was on a different subject.

† In the communication here alluded to, the Messrs. Barings briefly negatived the proposition for a loan on the ground of the *then* prostrated credit of American securities in the London market.

should sink party feelings in the patriotic resolution of fairly meeting and honestly surmounting the financial difficulties in which the State now is unfortunately placed, that there would be a prospect of meeting the views of the company, provided that the report of competent judges should be in favor of the estimates of amount required for the completion of the canal; of its productiveness when finished; and of the financial position and good management of the company. On some of these points they should be better informed after receiving the last annual report of the company, which they wish Col. Coale to have the kindness to forward to them. From the report of August, 1842, there would appear outstanding debts of the company which there are no means to settle.

| | |
|---|-----------------------|
| * The sum of | \$1,232,053 23 |
| And the estimate of the cost of completing the canal, | 1,591,136 00 |
| Together, | <u>\$2,823,189 23</u> |

And thus shewing the want of a much larger sum than is contemplated by the company.

I pray your usual kind attention in communicating this to Col. Coale. * * *

Dear sir, very truly yours, &c.
[Signed,] T. W. WARD, Attorney, &c."

[COPY.]

OFFICE CHESAPEAKE AND OHIO CANAL CO.
Frederick, 27th November, 1843.

To J. H. B. LATROBE, Esq.

DEAR SIR:—The portion of Mr. Ward's letter in regard to the prospect of negotiating a loan with the Messrs. Barings, for the completion of the canal to Cumberland, affords me much gratification. I have a thorough conviction that the approaching Legislature will pass all laws that may be necessary and proper to maintain the faith and credit of the State, and I have no doubt but that the prospect of finishing the canal and thereby, in a few years, obtaining relief therefrom, will render the measures that may be adopted in that behalf acceptable to the people at large. It is only when the prospect of taxation is interminable, that the people begin to despond. Hold out to them a promise of relief, and they will cease to murmur, at present burthens.

At a recent meeting of the stockholders on the 16th inst., we presented a report giving a very full, and I think, just statement of the condition and prospects of the company, and shewing the sum

* In this sum was included the interest due to the State of Maryland on the \$2,000,000 loan.

that is wanted to complete the canal to Cumberland, by exhibiting several bids from responsible contractors for the entire unfinished portion of the canal. This we regard as the best possible evidence of the sum required, but still with a view to satisfy the Messrs. Barings, on all points mentioned, it may be advisable to have the opinion of judges of their own selection, "as to the amount required for the completion of the work, its productiveness when finished—and the financial position and good management of the company," and we would be willing to abide the scrutiny with perfect confidence. On all these points, except the last of course, our recent report is more full and particular than any former one issued from this company.

It is now in the hands of the printer—nearly ready for publication, and as soon as ready I will, as requested by Mr. Ward, forward a copy to the Messrs. Barings, as also, one to him and yourself. In correcting the proof I shall take the liberty of briefly noticing the prospect of negotiating a loan, contained in the letter of Mr. Ward, but of course, without mentioning names. Since the report of August, 1842, referred to by the Messrs. Barings, a full measurement of the work done on the fifty miles between Dam No. 6 and Cumberland, was completed, on the 1st December, 1842, which reduced the estimate for the work yet to be done to \$1,545,000. We have bids to do the entire work for about \$200,000 less, than this estimate, owing mainly, to the great reduction in the price of labor and provisions, which has taken place since that estimate was made out. Under these circumstances, and in view of the generous interest, which the Messrs. Barings have hitherto manifested for the success of our enterprise, I feel a strong confidence, that when they have fully satisfied themselves in regard to the points mentioned they will agree to aid us, by furnishing the means to finish the canal to Cumberland. The loan will be amply secured, as by the law that we expect to have passed, the whole nett revenues of the canal between Cumberland and Georgetown, will be pledged and mortgaged for the re-payment, with the accruing interest, payable semi-annually; the principal to be paid in, say—twenty years.

We have not had it in contemplation, to borrow money now to pay off the debts of the company, as Mr. Ward seems to think, but to issue bonds to the creditors for the sums due them, with secondary liens to come in *pari passu* with the liens of the State of Maryland upon the nett profits of the work, after the liens for the loan to complete it are provided for by the payment of interest, and the appropriation of an ample sinking fund to redeem the principal by the time it becomes due. The sum of \$1,500,000 will be ample to finish the canal, and meet all contingencies. We shall earnestly endeavor to have a law passed waiving the State liens early in the session, and would be glad to have the loan negotiated during the winter, so that we may enter into the contract, and have the work commenced as soon as the spring opens. For these reasons I hope the Messrs. Barings will take the subject into immediate consideration.

I would esteem it a favour, if you would transmit this letter or a copy thereof to Mr. Ward, to be forwarded by him to the Messrs. Barings. The copies of the report mentioned will be sent in a few days.

I am with great respect,
Very truly yours, &c.

Signed, J. M. COALE,
President Chesapeake and Ohio Canal Company.

[From Mr. Ward to Col. Coale.]

BOSTON, February 15th, 1844.

J. M. COALE, Esq.

President Chesapeake and Ohio Canal Co.
(Annapolis.)

DEAR SIR:—Having been absent some days, I find on my return your favour of the 10th inst., with a copy of the Bill (now before the House of Delegates for the completion of the canal,) and a map of the coal region—and I carefully note the contents of your letter.

I notice that your object is to ascertain, “if the provisions and details of the bill be such as would answer the demands of capitalists, in case the result of the examination proposed in my letter, be such as to justify the loan.” I have looked over the bill and do not perceive any thing that calls for remark, and presume it is all right. This however, is a matter of legal form and can be best made by legal men, and gentlemen acquainted with and understanding *all* that is contemplated. In regard to the loan, I can say nothing at present, in addition to my letter of 21st November last, to Mr. Latrobe, which you refer to.

I beg however, to repeat what I have had the honor to mention to you in my previous communications, that I consider the present a very important moment for Maryland. She can now with ease take the measures necessary to restore her credit—and her course is so clear that I cannot permit myself to doubt that she will pursue it.

I have the honor to be,
Dear Sir, very respectfully,
Your obedient servant,
T. W. WARD.

[Document DD.]

BY THE HOUSE OF DELEGATES

February 28, 1844.

Read and ordered to be printed.

COMMUNICATION

FROM THE

TREASURER OF THE WESTERN SHORE,

SHewing

To which one of the Internal Improvement Companies

THE SEVERAL BONDS WERE ISSUED

IN WHICH

THE SINKING FUND HAS BEEN INVESTED, &c.

In obedience to an Order of the House of the 26th February.
